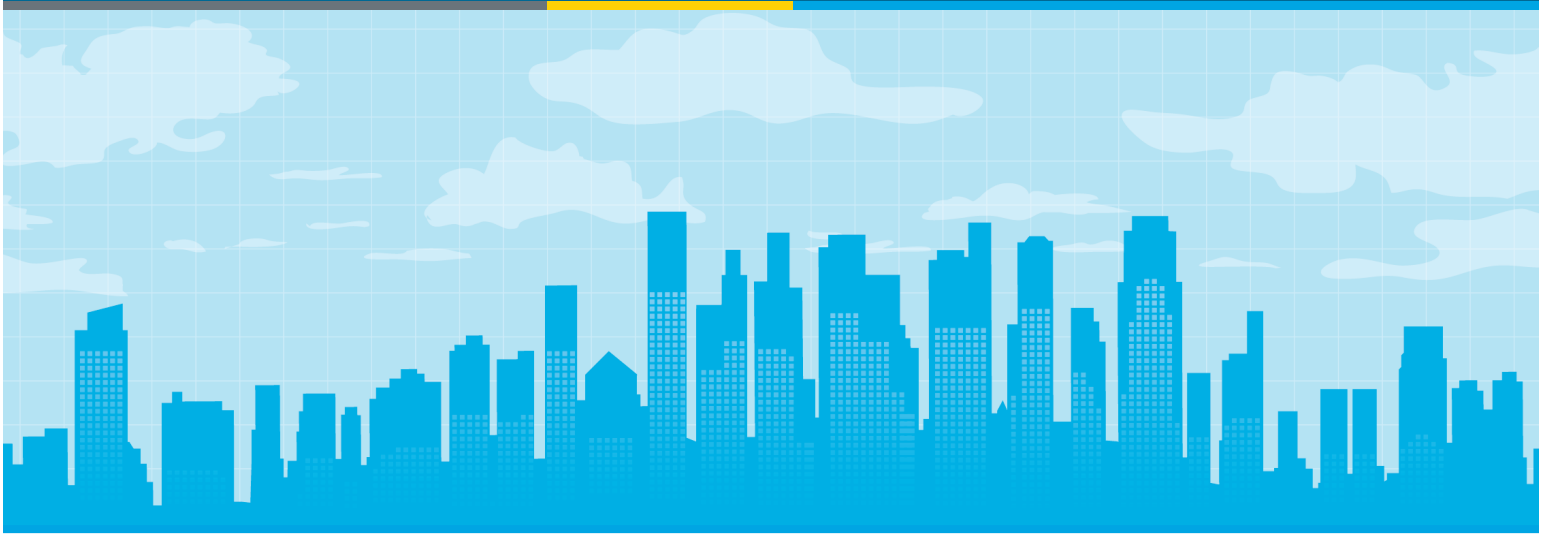
U.S. DEPARTMENT OF ENERGY | Energy Efficiency & Renewable Energy

STATE ENERGY PROGRAM



Overview

The U.S. Department of Energy's State Energy Program (SEP) provides funding and technical assistance to states, territories, and the District of Columbia to enhance energy security, advance state-led energy initiatives, and maximize the benefits of decreasing energy waste. SEP emphasizes the state's role as the decision maker and administrator for program activities within the state that are tailored to their unique resources, delivery capacity, and energy goals.

Program Outcomes and Benefits:

Between 2010 and 2017 states implemented SEP funding that resulted in a wide range of benefits to the states, including:

- Implementation of energy security, resiliency, and emergency preparedness plans;
- Development of state-led strategic energy initiatives;
- Investments to expand use of energy resources abundant in a state;
- Reduced energy waste in more than 20,000 buildings (125 million square feet) through energy efficiency upgrades;
- Installation of more than 60,000 renewable energy systems (8 million kilowatt hours);
- Education of more than 2 million people in performing energy audits and upgrades;
- Successful piloting of innovative energy projects with the private sector, K-12 schools, and universities;
- Execution of Energy Savings Performance Contracts to undertake retrofit projects in public facilities; and
- Development of *implementation models* that serve as "how-to" guides for other states who wish to replicate the programs that are achieving energy efficiency savings.

Funding

State Energy Offices play a vital role in establishing plans and strategies to achieve state-led energy goals and priorities. Since 2010, SEP has provided more than $300 million to State Energy Office activities that result in reduced energy costs, increased economic competitiveness, and coordinated energy-related emergency preparedness and response.

SEP FUNDING HISTORY (2010-2016)

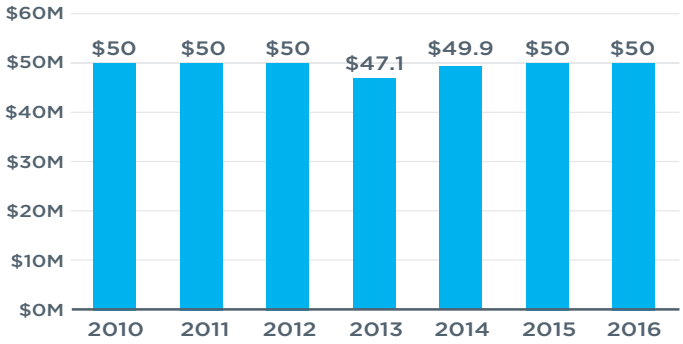


Chart does not include American Recovery and Reinvestment Act of 2009 funding.

States use SEP funds to address implementation and financing barriers to enable accelerated deployment of replicable, cost-effective, energy efficiency and renewable energy technologies.

Each year SEP awards funding competitively to states for projects that help states meet their energy goals and explore opportunities for regional collaboration and partnerships. In a typical year, SEP chooses areas on which to focus, and states may apply for funding under any area with the flexibility to choose specific topics or approaches to achieving their energy goals.

In 2016, SEP Competitive Awards in the amount of $5 million were awarded to applicants under three Areas of Interest:

- State Energy Planning
- Opportunities for Innovative Energy Efficiency and Renewable Energy Programs (topic areas include financing, benchmarking and disclosure, residential, working with local governments, and evaluation, measurement, and verification)
- Technical Assistance to Advance SEP Formula Grant Clean Energy Activities.

Examples of SEP-funded, state-led work include:

- New Mexico uses SEP funding to administer a pilot program - Local Energy Efficiency Performance (LEEP) - to reduce energy cost burdens for its local governments through increased use of energy savings performance contracts (ESPC). By executing ESPCs, there are no upfront costs required because building owners use future energy or operating cost savings to pay for the new energy-efficient equipment and services. Through the LEEP program, New Mexico's McKinley County retrofitted more than 40 buildings, producing 30% savings in operating costs, or about $350,000 per year.
- Rhode Island and four state partners – Arkansas, Massachusetts, Missouri, and Oregon – are increasing adoption of energy labeling in the residential real estate market by aligning Home Energy Rating (HER) and Home Energy Scores (HES) so that the data and scores are comparable and translatable. This project builds off New York's National Labeling group, which is working to harmonize scores for multifamily and commercial buildings. Coinciding with this effort are activities that will create model home energy disclosure and rating policies for other states to replicate with potential for significant energy reductions as a result of streamlined labeling.
- SEP supports Missouri's efforts to catalyze ratepayer-funded energy efficiency programs by creating a statewide technical reference manual (TRM) that will serve as a reference document for regulatory agencies, customers, and other stakeholders to consistently, reliably, and transparently calculate energy savings. The state is also developing a shared vision for how evaluation, measurement, and verification (EM&V) can evolve in the future. EM&V is the collection of approaches for determining and documenting energy and non-energy benefits resulting from end-use energy efficiency activities and programs. The TRM will help facilitate coordinated planning across all state utilities, which is projected to lead to greater energy savings (an estimated impact of 1.6 million megawatt hours of savings in 2020).

- Alabama invests SEP funds in a buildings energy efficiency program that saved $7.4 million in energy costs within the first two years.
- Ohio uses SEP funds in a successful, state-led, Energy Efficiency Program for Manufacturing. The multi-phase energy efficiency program launched in 2002 to assist small businesses, commercial, institutional, and manufacturing entities in reducing their energy costs through education and technical assistance services.
- Nevada lends SEP funds to help administer the Home Energy Retrofit Opportunities for Seniors Program, which helps income-qualified Nevada seniors to reduce energy costs by improving the energy efficiency of their homes. On average, the program saves an individual Nevada homeowner $927 each year.
- Nebraska's Dollar and Energy Saving Loan Program is one of the longest standing and highest volume energy efficiency revolving loan fund programs in the country and is reducing the interest rate for energy-related projects meeting minimum efficiency standards. Its current total loan pool today is approximately $37 million. ■